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Joint Committee on Finance 100th ANNIVERSARY 1911 - 2011

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: February 16, 2011

Re: DCF Report to JFC

Attached is a report on the Wisconsin Shares Program from the Department of Children and Families.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



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Governor Scott Walker
Secretary Eloise Anderson

Secretary's Office

February 15, 2011

Honorable Alberta Darling, Senate Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

Honorable Robin Vos, Assembly Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison, WI 53702

RECEIVED
FEB 16 2011
BY: S.F. Finance

Dear Senator Darling and Representative Vos:

This letter provides the Department of Children and Families' February 2011 report on the Wisconsin Shares Program. The information below is a compilation of data requested by the Committee related to DCF's fraud prevention, investigation and overpayment collection activity.

Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, January 2011

Expenditures related to fraud prevention and investigation: \$175,800

The above amount represents the January 2011 costs of the Child Care Fraud Detection and Investigation Unit, information technology programming costs, and an estimate of county expenditures from their DCF allocations for investigating suspected fraudulent activity.

Expenditures related to recovering overpayments due to error or fraud: \$45,500

The January 2011 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

Overpayment and/or restitution collected by DCF: \$481,333

In January 2011, DCF collected \$263,716 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$217,617 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are due to DCF as a result of an administrative finding that an overpayment has occurred.

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Overpayment and/or restitution collected by other agencies: \$0
No overpayments and/or restitution collections have been reported by other agencies in January 2011 to DCF.

Providers Suspended from the Wisconsin Shares Program, January 2011

During the month of January, DCF suspended payments to five child care providers; all five were from Milwaukee County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during January a total of \$334,699 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. Through January the cumulative total for overpayments established against suspended providers since January of 2009 stands at \$6,421,485.

Automatic Authorization of Child Care Hours System

Number of changes made to authorized hours during the month: 2,626 changed authorizations
This figure reports the total number of active authorizations in January that were reduced by the automated system.

Total reduction made to the authorized hours during the month: 19,534 hours
This figure reports the total number of hours taken off of active authorizations in January that were reduced by the automated system.

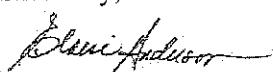
Estimated savings in the month due to the automated authorization adjustment system: \$142,965
This is an estimate of the maximum potential savings for those active authorizations in January that were reduced by the automated system.

Were child care quality improvements identified via use of the new system? To date, no.
The system was launched on May 15, 2010 and was designed primarily to improve consistency in the authorization process rather than to identify opportunities for making quality improvements.

Estimated annualized ongoing costs to operate the automated system: \$50,000
The primary ongoing cost is for mailing notices to parents and providers. Ongoing staff time to run the automated check is estimated at 30 minutes per month.

Thank you for the opportunity to share information on the status of the Shares program.

Sincerely,



Eloise Anderson
Secretary

cc: Mike Huebsch, Department of Administration
Bob Lang, Legislative Fiscal Bureau

Wisconsin Shares Provider Suspensions
January 2011

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established?	Referred to Law Enforcement	Collection
Granddad's Guided Footsteps (aka Noah's Safehouse)	01/07/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	Yes	Overpayment establishment pending per formal investigation completion	N/A	
Ready Set Learn	01/07/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to provide access to the child care facility during stated hours of operation; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A

Wisconsin Shares Provider Suspensions
January 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established?	Referred to Law Enforcement	Collection
Cola's Care Childcare	Milwaukee	01/28/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program. The provider billed the Wisconsin Shares program for more hours than physically possible when considering capacity and licensed hours of operation in 30 out of 41 consecutive weeks. The provider also attempted to falsify attendance records when a Department representative visited the child care center immediately prior to providing copies to the Department.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A

Wisconsin Shares Provider Suspensions
January 2011

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established?	Referred to Law Enforcement	Collection
Dakeela Burkess	01/28/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: the provider's failure to maintain and submit accurate attendance records as required by the Shares program. The provider billed the Wisconsin Shares program for hours of care for children that did not appear on the provider's attendance records for that same week. The provider billed the Wisconsin Shares program for more hours of care than is reflected on the provider's attendance records for that same week. The Department also has evidence that there is an outstanding lien against the provider in the amount of \$4,087.50, which was filed in July 2010 and is based on a participant overpayment where the provider was a client.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A

Wisconsin Shares Provider Suspensions
January 2011

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Stopped?	Referred to Law Enforcement?	Collection Enforcement?
Treasure Me Learning Center	01/28/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) a conviction substantially relating to the care of children or the operation of a business and 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program. The Department has determined that the child care center's administrator has been convicted of felony forgery (s. 943.38(1)) on 8/9/2000. The Department has evidence that the provider billed for more hours than children actually attended. The Department visited the provider's child care center and the attendance records accurately reflected the children in care, however when the provider submitted billing, the provider billed for more hours of care than was reflected on the attendance records. The Department also has evidence that the provider continued billing the Shares program for six months after a child stopped attending the provider's child care center in February 2010.	Yes	\$146,210.74	Yes	No